New Zonal LIC office at Patna

944. MS. PRAMILA BOHIDAR:
SHRI B.J. PANDA

Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to open a new Zonal LIC office at Patna and attach the LIC Division in Orissa with Patna Zonal Office;

(b) whether there is stiff resistance to this move as it affects the interests of the people of Orissa;

(c) whether this proposal has since been shelved to address the apprehensions of the people of Orissa; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Life Insurance Corporation of India (LIC) has reported that it has created a new Zone, named as East Central Zone in April 2007, with its headquarters at Patna. The territorial limits of this East Central Zone include the States of Bihar, Jharkhand and Orissa.

(b) LIC has reported that there is no resistance either from the policyholders or general public of Orissa on creation of the new Zone. LIC has, however, received some representations from Employees' Associations and Agents' Federations for shifting of the Zonal Headquarters from Patna to Jamshedpur or Kolkata.

(c) No, Sir. The new Zonal Office with headquarters at Patna has started functioning from April, 2007.

(d) Does not arise.

New Credit Policy

945. SHRI SYED AZEEZ PASHA:
SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state:

(a) whether a new Credit Policy has been announced by Reserve Bank recently; and

(b) if so, the salient features thereof and its impact on deposit and lending interest rates of the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Reserve Bank of India (RBI) issued its Annual Policy Statement for the Year 2007-08 on April 24, 2007 and has carried out the First Quarter Review of the Annual Statement on Monetary Policy on July 31, 2007. The

details of the Annual Policy Statement and First Quarter Review are available on web-site of RBI at *www.rbi.org.in*. The overall stance of the monetary policy in the period ahead will broadly continue to be :

- To reinforce the emphasis on price stability and well-anchored inflation expectations while ensuring a monetary and interest rate environment that supports export and investment demand in the economy so as to enable continuation of the growth momentum.
- To re-emphasize credit quality and orderly conditions in financial markets for securing macro-economic and, in particular, financial stability while simultaneously pursuing greater credit penetration and financial inclusion;
- To respond swiftly with all possible measures as appropriate to the evolving global and domestic situation impinging on inflation expectations, financial stability and the growth momentum.

As reported by RBI, the deposit and lending rates of five major public sector banks prior to and post the First Quarter Review of Monetary Policy announced on July 31, 2007 are as under:-

Deposit rates	July 20, 2007	August 10, 2007
Upto 1 year	3.00 - 9.50	3.00 - 7.25
1 - 2 year	7.50 - 9.50	7.50 - 9.00
2-3 years	7.50 - 9.50	7.50 - 9.50
More than 3 years	7.75 - 9.60	7.75-9.60
Benchmark Prime Lending Rates	12.75 - 13.25	12.75 - 13.25

Priority sector credit to minorities

946. SHRI D. RAJA:
SHRI SYED AZEEZ PASHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that level of bank lending to minorities is still under 10 per cent of the total Priority Sector Credit;

(b) if so, the details thereof for the years 2005-06 and 2006-07; and

(c) the measures being taken to raise the level of lending to minorities to a minimum level of 15 per cent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. The share Minority Communities in Priority Sector Advances given by the Scheduled Commercial Banks during the years 2005-06 and 2006-07 is as follows: